

## AGENDA



Thursday, January 10, 2008

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 37**

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**Subject:** Authorize award and execution of a 24-month requirements supply contract with KBS ELECTRICAL DISTRIBUTORS, Austin, TX for the purchase of 138KV air switches in an estimated amount not to exceed \$188,050, with two 12-month extension options in an estimated amount not to exceed \$94,025 per extension option, for a total estimated contract amount not to exceed \$376,100.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2007-2008 Capital Budget of the Austin Energy Department. Funding for the extension options is contingent upon available funding in future budgets.

**Fiscal Note:** A fiscal note is attached.

**For More Information:** Dolores Castillo, Sr. Buyer /322-6466

**Purchasing Language:** Lowest bidder meeting specifications of five bids received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program) No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

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This contract will establish a 24- month supply agreement for two different types and sizes of 138kv air switches for use by Austin Energy (AE). Air switches are used to separate power within a substation. Air switches are used to isolate and re-distribute power in order to service equipment within the substation such as transformers and circuit breakers. They are also used as a secondary safety precaution for field personnel by providing an additional disconnect from energized lines.

MBE/WBE Solicited: 1/3      MBE/WBE Bid: 0/0

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Fifty notices were sent, including one MBE and three WBEs. Five bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 70% increase to the last contract award June 2004. This increase is due to the higher costs for steel, labor, and transportation.

**APPROVAL JUSTIFICATION**

- a. Low bidder meeting specifications.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.